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ABSTRACT

This document presents information showing the allocation of funds to states under the substance abuse prevention and substance abuse treatment programs contained in the proposed Drug Abuse Prevention and Treatment Act of 1986 (H.R. 5334). This fact sheet shows state allotments for substance abuse prevention, using a formula based on each state's relative share of the nation's youth population aged 5 through 24 and an annual appropriation of $50,000,000. It also shows state allotments for substance abuse treatment, using a formula based on each state's relative share of the population aged 15 through 64 weighted by the state's relative personal income and an annual appropriation of $100,000,000. The proposed substance abuse prevention formula and the proposed substance abuse treatment formula are both described. (NB)

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United States General Accounting Office

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Fact Sheet for the Chairman, Subcommittee on Health and the Environment, Committee on Energy and Commerce, House of Representatives

September 1986

SUBSTANCE ABUSE

Description of Proposed State Allotment Grant Formulas

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United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-223897

September 10, 1986

The Honorable Henry A. Waxman
Chairman, Subcommittee on Health
and the Environment
Committee on Energy and Commerce
House of Representatives

Dear Mr. Chairman:

In response to a July 30, 1986, request from your office, we are providing information showing the allocation of funds to states under the substance abuse prevention and substance abuse treatment programs contained in the proposed Drug Abuse Prevention and Treatment Act of 1986 (H.R. 5334). The allocations were generated using formulas selected by Subcommittee staff from several alternatives we provided. The funding levels used were also provided by your staff.

This fact sheet shows state allotments for substance abuse prevention, using a formula based on each state's relative share of the nation's youth population ages 5 through 24 and an annual appropriation of $50 million. It also shows state allotments for substance abuse treatment, using a formula based on each state's relative share of the population ages 15 through 64 weighted by the state's relative personal income and an annual appropriation of $100 million.

As arranged with your office, copies of this fact sheet will be made available to others on request. Further information regarding this document can be obtained by calling me at 275-2854.

Sincerely yours,

J. William Gadsby
Associate Director

Contents

		Page
	LETTER	1
	DESCRIPTION OF THE PROPOSED SUBSTANCE ABUSE PREVENTION FORMULA	3
	DESCRIPTION OF THE PROPOSED SUBSTANCE ABUSE TREATMENT FORMULA	5
TABLES		
1	State Allotments for Substance Abuse Prevention Grants	4
2	State Allotments for Substance Abuse Treatment Grants	7

DESCRIPTION OF THE PROPOSED

SUBSTANCE ABUSE PREVENTION FORMULA

The proposed allotment formula for the substance abuse prevention grant program allocates funds to states based on their relative share of the population at risk. The formula selected by the Subcommittee defines the at-risk population as the number of state residents between the ages of 5 and 24 as estimated by the Bureau of the Census for the most recent year available in its Current Population Reports, Series P-25. Each state's allotment is calculated by multiplying its percentage share of the U.S. population ages 5 through 24 by the annual appropriation level.

Table 1 shows each state's allotment assuming an annual appropriation of $50 million. The specific population data used to produce the table were the Census Bureau estimates as of July 1, 1984, the latest data available at the time we developed the information. The allocation formula used to produce table 1 is as follows:

State allotment = [POP/POPTOT] * AMT

where POP = state population ages 5 through 24
POPTOT = U.S. population ages 5 through 24
AMT = $50 million appropriation

The following example illustrates how the formula calculates the state allotment for Alabama. Alabama is estimated to have 1.3 million residents between the ages of 5 and 24, or 1.76 percent of the U.S. total of 74.0 million such residents. This percentage (representing the number in square brackets for Alabama in the above formula) is multiplied by the $50 million appropriation to arrive at Alabama's $881,164.33 grant allotment, as shown in table 1.[1]

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[1] 1.76 percent of $50 million is $880,000. The calculations made to produce table 1 were performed using more significant digits than those reported in the text.

Table 1
State Allotments for Substance Abuse Prevention Grants
(Annual Appropriation = $50,000,000)

State Names	Allotment	Share Of Total
Alabama	$881,164.43	1.76
Alaska	120,281.65	.24
Arizona	647,358.53	1.29
Arkansas	501,398.78	1.00
California	5,277,526.25	10.56
Colorado	679,118.29	1.36
Connecticut	637,222.44	1.27
Delaware	133,120.70	.27
District of Columbia	121,633.13	.24
Florida	2,025,191.57	4.05
Georgia	1,322,422.39	2.64
Hawaii	228,399.98	.46
Idaho	225,697.03	.45
Illinois	2,450,907.52	4.90
Indiana	1,208,222.40	2.42
Iowa	609,517.12	1.22
Kansas	508,156.18	1.02
Kentucky	822,375.09	1.64
Louisiana	1,033,881.58	2.07
Maine	245,293.47	.49
Maryland	919,005.85	1.84
Massachusetts	1,189,977.43	2.38
Michigan	2,007,622.34	4.02
Minnesota	890,624.79	1.78
Mississippi	608,841.38	1.22
Missouri	1,048,072.11	2.10
Montana	175,016.56	.35
Nebraska	341,924.24	.68
Nevada	184,476.91	.37
New Hampshire	206,776.32	.41
New Jersey	1,519,062.61	3.04
New Mexico	326,382.23	.65
New York	3,623,991.46	7.25
North Carolina	1,339,991.62	2.68
North Dakota	149,338.45	.30
Ohio	2,295,487.41	4.59
Oklahoma	700,066.22	1.40
Oregon	534,510.02	1.07
Pennsylvania	2,377,251.90	4.75
Rhode Island	195,964.48	.39
South Carolina	752,098.17	1.50
South Dakota	152,717.15	.31
Tennessee	1,004,824.78	2.01
Texas	3,581,419.86	7.16
Utah	420,985.77	.84
Vermont	112,848.51	.23
Virginia	1,216,331.27	2.43
Washington	897,382.18	1.79
West Virginia	408,146.72	.82
Wisconsin	1,028,475.67	2.06
Wyoming	111,497.03	.22
	$50,000,000.00	100.00

DESCRIPTION OF THE PROPOSED

SUBSTANCE ABUSE TREATMENT FORMULA

The proposed allotment formula for the substance abuse treatment grant program allocates funds to states based on two factors: (1) the population at risk and (2) a relative income factor, which provides relatively more funds to low-income states. The formula selected defines the population at risk as the number of state residents ages 15 through 64 as estimated by the Bureau of the Census for the most recent year in its Current Population Reports, Series P-25. The relative income factor for a state is defined as the ratio of its personal income per person at risk to U.S. personal income per person at risk. The data for total personal income are defined as the most recent 3-year average of state personal income as estimated by the Department of Commerce in the Survey of Current Business.

Table 2 shows each state's treatment allotment assuming an annual appropriation level of $100 million. The formula used to produce table 2 is as follows:

$$\text{State allotment} = \left[\frac{\text{POP} * (1.0 - 0.5 * \text{RIF})}{\text{Sum of Numerator}}\right] * \text{AMT}$$

where POP = state residents ages 15 through 64
RIF = relative income factor
AMT = $100 million appropriation

The specific population data used were the Census Bureau estimates as of July 1, 1984, the latest data available at the time we developed the information. The total personal income data were those estimated by the Department of Commerce for 1982 through 1984. The 0.5 weight attached to the relative income factor determines the extent to which funds are targeted to low-income states. A weight of zero would result in a formula based exclusively on the population-at-risk factor. The use of a 0.5 weight for the relative income factor is similar to the weight used in most of the other federal formulas of this type. For example, the 0.5 weight is used in the Vocational Education and Child Welfare Services programs.

The following example illustrates how the formula calculates the state allotment for Alabama. Alabama is estimated to have 2.6 million residents between the ages of 15 and 64 (i.e., its population factor). Alabama's total personal income per person between the ages of 15 and 64, compared to the corresponding U.S. average (i.e., its relative income factor), is

estimated to be 0.80.[2] The second term of the numerator is then calculated as 1.0 minus 0.5 times 0.80, or 0.60. Therefore, the numerator for Alabama is 2.6 million times 0.60, or 1.5 million. Performing this calculation for all states and then calculating Alabama's percentage of the total yields a state share of 1.99 percent. Applying this percentage to the $100 million appropriation yields a grant of $1,994,840.69 for Alabama, as shown in table 2.[3]

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[2]This was calculated as follows: Alabama's 3-year average of total personal income was $36.9 billion, its at-risk population was 2.6 million; this yields an income of $14,193 per person at risk. The corresponding figures for all states are $2,775 billion, 156.4 million, and $17,748, respectively. The relative income factor (i.e., RIF) is then calculated by dividing $14,193 by $17,748, which yields 0.80.

[3]The allotments calculated in table 2 were made using more significant digits than those cited in the text.

Table 2
State Allotments For Substance Abuse Treatment Grants
(Annual Appropriation = $100,000,000)

State Names	Allotment	Share Of Total
Alabama	$1,994,840.69	1.99
Alaska	148,247.01	.15
Arizona	1,347,342.92	1.35
Arkansas	1,123,247.32	1.12
California	10,014,851.55	10.01
Colorado	1,327,994.20	1.33
Connecticut	1,037,034.30	1.04
Delaware	258,412.52	.26
District of Columbia	204,056.18	.20
Florida	4,387,373.67	4.39
Georgia	2,829,256.12	2.83
Hawaii	450,217.66	.45
Idaho	451,755.51	.45
Illinois	4,455,096.46	4.46
Indiana	2,494,849.95	2.49
Iowa	1,199,078.82	1.20
Kansas	913,606.69	.91
Kentucky	1,830,397.47	1.83
Louisiana	2,053,464.20	2.05
Maine	552,956.49	.55
Maryland	1,814,003.32	1.81
Massachusetts	2,231,627.18	2.23
Michigan	3,914,247.65	3.91
Minnesota	1,658,567.85	1.66
Mississippi	1,323,474.85	1.32
Missouri	2,141,440.73	2.14
Montana	383,588.90	.38
Nebraska	637,876.46	.64
Nevada	402,887.22	.40
New Hampshire	419,354.77	.42
New Jersey	2,663,369.95	2.66
New Mexico	690,629.40	.69
New York	6,879,454.87	6.88
North Carolina	3,152,142.11	3.15
North Dakota	269,436.93	.27
Ohio	4,662,045.27	4.66
Oklahoma	1,388,821.41	1.39
Oregon	1,182,529.41	1.18
Pennsylvania	5,107,224.44	5.11
Rhode Island	414,770.43	.41
South Carolina	1,724,101.65	1.72
South Dakota	304,581.30	.30
Tennessee	2,369,114.47	2.37
Texas	6,723,752.04	6.72
Utah	719,187.60	.72
Vermont	257,605.28	.26
Virginia	2,530,147.05	2.53
Washington	1,801,630.90	1.80
West Virginia	956,485.66	.96
Wisconsin	2,000,734.78	2.00
Wyoming	201,086.40	.20
	$100,000,000.00	100.00

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